

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 1 — 0 1

2. STATE:

OKLAHOMA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

02-01-01

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440.170(e) &amp; 42 CFR 440.20

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Page 1a-2  
Attachment 3.1-A, Page 2a-2  
Attachment 3.1-B, Page 2a-2  
Attachment 3.1-B, Page 2a-11  
Attachment 4.19-B, Page 1  
Attachment 4.19-B, Page 3  
~~Attachment 4.19-B, Page 28.1~~

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ 4,861,344

b. FFY 2002 \$ 7,292,061

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Same Page, Revised 12-01-99, TN#99-23

Same Page, Revised 09-01-96, TN#96-09

Same Page, Revised 12-01-99, TN#99-17 99-23 \*

Same Page, Revised 09-01-96, TN#96-09

Same Page, Revised 12-01-99, TN#99-23

Same Page, Revised 08-01-00, TN#00-11

Same Page, Revised 04/01/90, TN#90-12

Changing payment methodology for emergency department to a case rate for both physician and  
hospital and expanding coverage by removing "prudent lay person language". Also expand  
radiology services to cover stereotactic radiosurgery (e.g. gamma knife)

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Michael Fogarty

14. TITLE:

Chief Executive Officer

15. DATE SUBMITTED:

2-14-01

16. RETURN TO:

Oklahoma Health Care Authority

Attn: Billie Wright

4545 N. Lincoln, #124

Oklahoma City, OK 73105

17. DATE RECEIVED:

19. EFFECTIVE DATE OF APPROVED MATERIAL:

February 1, 2001

21. TYPED NAME:

Calvin C. Cline

22. TITLE:

Associate Regional Administrator  
Division of Health and State

23. REMARKS:

\* On 2/14/01, the Regional Administrator, Division of Health and State, approved the proposed amendment to the Oklahoma Health Care Authority's Medicaid contract with the Oklahoma Health Care Authority. The amendment was approved by the Regional Administrator, Division of Health and State, on 2/14/01. The amendment was approved by the Regional Administrator, Division of Health and State, on 2/14/01. The amendment was approved by the Regional Administrator, Division of Health and State, on 2/14/01.

State OKLAHOMA

**AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL SERVICES PROVIDED  
CATEGORICALLY NEEDY**

**2.a. Outpatient hospital services**

**Emergency Room Services** - Emergency department services are covered. Payment is made at a case rate, which is an all-inclusive rate for all non-physician services provided during the visit.

**Dialysis**

**Therapeutic radiology or chemotherapy** Outpatient chemotherapy is compensable for proven malignancies and opportunistic infections. Outpatient radiation is covered for the treatment of proven malignancies or when treating benign conditions utilizing stereotactic radiosurgery (e.g., gamma knife).

**Outpatient hospital services**, not specifically addressed, are covered when prior authorized.

STATE <u>OKlahoma</u>	A
DATE REC'D <u>03-15-01</u>	
DATE APPV'D <u>04-20-01</u>	
DATE EFF <u>02-01-01</u>	
HCFA 179 <u>OK-01-01</u>	

Revised 02-01-01

TN# 01-01 Approval Date 04-20-01 Effective Date 02-01-01  
Supersedes  
TN# 99-23

State OKLAHOMA

**AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL SERVICES PROVIDED  
CATEGORICALLY NEEDY**

**5. Physicians' services whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere.**

Payment is made for compensable medical and surgical outpatient and inpatient services. For adults, count up to 24 hospital days paid on hospital claims during a State Fiscal Year for each individual recipient. These days will be maintained via the recipient file. Physician claims for hospital visits will be paid until the last compensable hospital day is captured. After 24 hospital days have been captured, no inpatient physician services will be paid beyond the last compensable hospital day. Hospital visits are limited to one visit per day per physician. Office visits, home visits or elsewhere are limited to two per month, per patient regardless of the number of physicians and two visits per month in a nursing facility. The following services are excluded from number of visits limitation:

1. Emergency department
2. EPSDT
3. Family planning

Payment is made for medical and surgical services performed by a dentist, to the extent such services may be performed under State law either by a doctor of dental surgery or dental medicine, when those services would be covered if performed by a physician.

STATE <u>Oklahoma</u>	A
DATE REC'D <u>03-15-01</u>	
DATE APPV'D <u>04-20-01</u>	
DATE EFF <u>02-01-01</u>	
HCFA 179 <u>OK-01-01</u>	

Revised 02-01-01

TN# 01-01 Approval Date 04-20-01 Effective Date 02-01-01  
Supersedes  
TN# 96-09

State OKLAHOMA

AMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED  
MEDICALLY NEEDY GROUP(S): All Groups

2.a. Outpatient hospital services

**Emergency Room Services** – Emergency department services are covered. Payment is made at a case rate, which is an all inclusive rate for all non-physician services provided during the visit.

Dialysis

**Therapeutic radiology or chemotherapy** Outpatient chemotherapy is compensable for proven malignancies and opportunistic infections. Outpatient radiation therapy is covered for the treatment of proven malignancies or when treating benign conditions utilizing stereotactic radiosurgery (e.g., gamma knife).

**Outpatient hospital services**, not specifically addressed, are covered when prior authorized.

**Outpatient surgical services** - Facility payments for selected surgical procedures on an outpatient basis will be made to hospitals which have a contract with the Agency.

**Outpatient Mental Health Services** – Outpatient behavioral health services are covered for adults and children when provided in accordance with a documented individualized treatment plan; developed to treat the identified mental health and /or substance abuse disorder(s). All services are to be for the goal of improvement of functioning, independence, or well being of the client. The client must be able to actively participate in the treatment. Active participation means that the client must have sufficient cognitive abilities, communication skills, and short-term memory to derive a reasonable benefit from the treatment. The assessment must include a DSM IV multi axial diagnosis completed for all five axis. All services will be subject to medical necessity criteria. For DMHSAS contracted and private facilities, an agent designated by the Oklahoma Health Care Authority (OHCA) will apply the medical necessity criteria. For Public facilities (Regionally based CMHCS), the medical necessity criteria will be self-administered. Non authorized services will not be Medicaid compensable with the exception of six units of individual counseling, two units of family counseling, and one unit of treatment plan development per Medicaid recipient per calendar year, one unit of medical review per month, crisis intervention and community based structured emergency care. Payment is made for Rehabilitative Treatment services for children. Children receiving Residential Behavioral Management Services in a Foster or Group Home are eligible for Outpatient Behavioral Health Services only if prior authorized by the OHCA or its designated agent. (See Out-Patient Behavioral Health Services, Attachment 3.1-A, Page 1a-2.2 through Page 1a-2.12 for amount, duration and scope.)

Revised 02-01-01

TN# <u>0601</u>	Approval Date <u>04-20-01</u>	Effective Date <u>02-01-01</u>	STATE <u>Oklahoma</u>	A
Supersedes		DATE REC'D <u>03-15-01</u>		
TN# <u>99-23</u>		DATE APPV'D <u>04-20-01</u>		
		DATE EFF <u>02-01-01</u>		
		HCFA 179 <u>06-01-01</u>		

State OKLAHOMA

**AMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED**  
**MEDICALLY NEEDY GROUP(S): All Groups**

**5. Physicians' services whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere.**

Payment is made for compensable medical and surgical outpatient and inpatient services. For adults, count up to 24 hospital days paid on hospital claims during a State Fiscal Year for each individual recipient. These days will be maintained via the recipient file. Physician claims for hospital visits will be paid until the last compensable hospital day is captured. After 24 hospital days have been captured, no inpatient physician services will be paid beyond the last compensable hospital day. Hospital visits are limited to one visit per day per physician. Office visits, home visits or elsewhere are limited to two per month, per patient regardless of the number of physicians and two visits per month in a nursing facility. The following services are excluded from number of visits limitation:

1. Emergency department
2. EPSDT
3. Family planning

Payment is made for medical and surgical services performed by a dentist, to the extent such services may be performed under State law either by a doctor of dental surgery or dental medicine, when those services would be covered if performed by a physician.

STATE <u>Oklahoma</u>	A
DATE REC'D <u>03-15-01</u>	
DATE APPV'D <u>04-20-01</u>	
DATE EFF <u>02-01-01</u>	
HCFA 179 <u>OK-01-01</u>	

Revised 02-01-01

TN# 01-01 Approval Date 04-20-01 Effective Date 02-01-01  
Supersedes  
TN# 96-09

State: OKLAHOMA

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
OTHER TYPES OF CARE**

---

**1. Payment for Hospital Outpatient Care**

Payment is made at a case rate, which is an all-inclusive rate for all non-physician services provided during the emergency department visit. The rate was developed using SFY99 emergency and non-emergency visit claims data for all services furnished as part of the visit, including lab and x-ray. Total payments were adjusted by funding included in House Bill 2019 [47<sup>th</sup> Oklahoma Legislature, 2<sup>nd</sup> Regular Session (2000)] for the outpatient hospital emergency department case rate and divided by projected utilization for the upcoming fiscal year, to arrive at the payment amount. Separate fees for outpatient emergency services are not payable to the hospital if the patient is admitted to the same hospital within twenty-four hours under the hospital service of the Agency's medical care program. Take home drugs (medication) supplied by the hospital are not compensable under the Agency's medical care programs for inpatient or outpatient care.

- 2. Therapeutic radiology or chemotherapy.** - Payment is based on the Agency fee schedule, kept in the Agency library and on the Agency computer data base.
- 3. Dialysis** - Payment is made to the hospital for dialysis rendered to outpatients at the Medicare composite rate.

STATE <u>Oklahoma</u>	A
DATE REC'D <u>03-15-01</u>	
DATE APPV'D <u>04-20-01</u>	
DATE EFF <u>02-01-01</u>	
HCFA 179 <u>OK-01-01</u>	

Revised 02-01-01

TN# 01-01  
Supersedes  
TN# 99-23

Approval Date 04-20-01

Effective Date 02-01-01

State: OKLAHOMA

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES**  
**OTHER TYPES OF CARE**

---

**1. Payment for physicians' services (includes medical and remedial care and services)**

Payment for physician's services, radiology services and services rendered by other practitioners under the scope of their practice under State law, are covered under the Agency fee schedule. The payment amount for each service paid for under the fee schedule is the product of a uniform relative value unit (RVU) for each service and a conversion factor (CF). The CF converts the relative values into payment amounts. The general formula for calculating the fee schedule can be expressed as:

$$\text{RVU} \times \text{CF} = \text{Rate}$$

EPSTD screenings and eye exams by optometrists have been incorporated into the fee schedule.

In order to assure access to obstetrical care for delivery, antepartum and postpartum care, a different Conversion Factor has been used.

This methodology does not apply to rates for anesthesia services. Fees for anesthesiology are based on a statewide-based methodology established by the state.

The methodology does not apply to rates for services in the emergency department. The rate was developed from CY99 claims data for emergency department CPT codes ranging from 99281 to 99285. Expenditure data was adjusted by a factor of 18% and divided by projected utilization for emergency and non-emergency services for the upcoming fiscal year to arrive at the payment amount.

The fee schedule for the above listed services are maintained on the Agency computer database and in the Agency library.

Adjustments to the payment limits on an individual procedure will be considered by the Procedure Review Committee on a periodic or as needed basis as requested by medical providers.

STATE <u>Oklahoma</u>	A
DATE REC'D <u>03-15-01</u>	
DATE APPV'D <u>04-20-01</u>	
DATE EFF. <u>02-01-01</u>	
HCFA 179 <u>OK-01-01</u> <u>Revised 02-01-01</u>	

TN# 01-01  
Supersedes  
TN# 00-11

Approval Date 04-20-01

Effective Date 02-01-01

State: OKLAHOMA

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
OTHER TYPES OF CARE**

---

Early and Periodic Screening, Diagnosis and Treatment of Conditions Found (continued)

II. Payment will be made for the following services described in Section 1905(a) and which are not otherwise covered under the State Plan.

- a. Emergency Hospital Services – For payment methodology for hospital emergency department, see Attachment 4.19-B, Page 1.

For payment methodology for physician's emergency department services, see Attachment 4.19-B, Page 3.

Revised 02-01-01

TN# 01-01  
Supersedes  
TN# 90-12

Approval Date 04-20-01

Effective Date 02-01-01

STATE <u>Oklahoma</u>	A
DATE REC'D <u>03-15-01</u>	
DATE APPV'D <u>04-20-01</u>	
DATE EFF <u>02-01-01</u>	
HCFA 179 <u>OK-01-01</u>	